

# The Economic Value to Texas of Texas State University





**T**EXAS STATE UNIVERSITY (TXST) creates value in many ways. The university plays a key role in helping students increase their employability and achieve their individual potential. The university facilitates new research and company developments and also draws visitors and students to the state, generating new dollars and opportunities for Texas. TXST provides students with the education, training, and skills they need to have fulfilling and prosperous careers. Furthermore, TXST is a place for students to meet new people, increase their self-confidence, and promote their overall health and well-being.

TXST influences both the lives of its students and the state economy. The university supports a variety of industries in Texas, serves businesses in the state, and benefits society as a whole in Texas from an expanded economy and improved quality of life. Additionally, the benefits created by TXST extend to the state government through increased tax revenues and public sector savings.

This study measures the economic impacts created by TXST on the business community and the benefits the university generates in return for the investments made by its key stakeholder groups—students, taxpayers, and society. The following two analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

All results reflect employee, student, and financial data, provided by the university, for fiscal year (FY) 2023-24. Impacts on the Texas economy are reported under the economic impact analysis and are measured in terms of added income. The returns on investment to students, taxpayers, and society in Texas are reported under the investment analysis.



Texas

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# Economic impact analysis

TXST promotes economic growth in Texas through its direct expenditures and the resulting expenditures of visitors, students, and businesses in the state. The university serves as an employer and buyer of goods and services for its day-to-day operations, construction, and research activities. Numerous spin-off companies have formed as a result of programs and knowledge at TXST. The university's reputation and activities attract visitors and students from outside Texas, whose expenditures benefit state vendors. In addition, TXST is a primary source of higher education to Texas residents and a supplier of trained workers to state industries, enhancing overall productivity in the state workforce.

## Operations spending impact



TXST adds economic value to Texas as an employer of state residents and a large-scale buyer of goods and services. In FY 2023-24, payroll at TXST was \$400.1 million, much of which was spent in the state on groceries, mortgage and rent payments, dining out, and other household expenses. In addition, the university spent \$232.5 million on expenses related to facilities, supplies, and professional services.<sup>1</sup>

TXST's operations spending added **\$313.3 million** in income to the state during the analysis year. This figure represents the university's payroll, the multiplier effects generated by the in-state spending of the university and its employees, and a downward adjustment to account for funding that the university received from state sources. The \$313.3 million in added income is equivalent to supporting **2,432 jobs** in the state.

## Construction spending impact



TXST invests in capital projects each year to maintain its facilities, create additional capacities, and meet its growing educational demands. While the amount varies from year to year, these quick infusions of income and jobs have a substantial impact on the state economy. In FY 2023-24, TXST's construction spending generated **\$95.0 million** in added income, which is equivalent to supporting **1,075 jobs**.

Impacts created by  
TXST in FY 2023-24



Operations spending impact  
**\$313.3 million**

+



Construction spending impact  
**\$95.0 million**

+



Research spending impact  
**\$171.6 million**

+



Spin-off company impact  
**\$210.6 million**

+



Visitor spending impact  
**\$4.2 million**

+



Student spending impact  
**\$109.0 million**

+



Alumni impact  
**\$6.8 billion**



Total economic impact  
**\$7.7 billion**

OR



Jobs supported  
**75,078**

<sup>1</sup> Research employees and their payroll as well as non-pay expenses for research and construction are excluded from this impact as they are measured in the following impacts.



## TXST performing arts

With one of the world's top-ranked theatre programs, TXST is a vibrant, year-round hub for arts and entertainment in Central Texas. The university has more than 30 musical ensembles—ranging from classical and jazz to choral and mariachi—perform for audiences across Texas, the nation, and around the globe.

At the heart of TXST's arts scene is the Performing Arts Center, a premier venue that hosts over 200 performances each academic year. From plays and musical theatre to dance, recitals, and concerts, these events showcase the talents of TXST students, faculty, and visiting artists.

Beyond the stage, the performing arts programs enrich the community through youth summer camps and collaborative initiatives that foster creativity and cultural engagement. These efforts not only support the artistic growth of San Marcos neighbors but also contribute to the region's dynamic cultural landscape.

## Research spending impact



Research activities impact the economy by employing people and requiring the purchase of equipment and other supplies and services. Over the last four years, TXST received 40 invention disclosures, filed 34 new patent applications, and produced five licenses.

In FY 2023-24, TXST spent \$48.7 million on payroll to support research activities. This, along with \$116.2 million in other research spending,<sup>2</sup> created a net total of **\$171.6 million** in added income for the state economy. This added income is equivalent to supporting **1,562 jobs**.

### TXST research developments

Fiscal year	Invention disclosures	Patent applications	Licenses
2020-21	6	4	0
2021-22	4	6	0
2022-23	11	7	3
2023-24	19	17	2
<b>Total</b>	<b>40</b>	<b>34</b>	<b>5</b>

Source: TXST

## Spin-off company impact



TXST creates an exceptional environment that fosters innovation and entrepreneurship, evidenced by the number of TXST spin-off companies created in the state. In FY 2023-24, TXST spin-off companies added **\$210.6 million** in income to the Texas economy, which is equivalent to supporting **1,926 jobs**.

<sup>2</sup> Excludes indirect costs because indirect costs are not necessarily spent during the analysis year.



## Visitor spending impact



Thousands of visitors from outside the state were attracted to TXST during the analysis year to attend commencement, sports events, and other activities sponsored by the university. While in the state, visitors spent money for lodging, food, transportation, and other personal expenses. The off-campus expenditures of the university's out-of-state visitors generated a net impact of **\$4.2 million** in added income for the state economy in FY 2023-24. This \$4.2 million in added income is equivalent to supporting **61 jobs**.

## Student spending impact



Around 5% of students attending TXST originated from outside the state in FY 2023-24, and the majority of these students relocated to Texas to attend TXST. These students may not have come to the state if the university did not exist. In addition, some in-state students, referred to as retained students, would have left Texas if not for the existence of TXST. While attending the university, these relocated and retained students spent money on groceries, accommodation, transportation, and other household expenses. This spending generated **\$109.0 million** in added income for the state economy in FY 2023-24, which supported **1,699 jobs** in Texas.

## The Texas School Safety Center plays a vital role in enhancing safety and security in Texas schools

The Texas School Safety Center (TxSSC), a research center at TXST, plays a vital role in enhancing the safety and security of over 9,000 schools that serve over 5.5 million Texas students. Legislatively mandated, the TxSSC serves as the central location for the dissemination of safety and security information—providing research, training, and technical assistance to public school districts, open-enrollment charter schools, and junior community colleges throughout Texas.

The TxSSC provides expert guidance, training, and practical resources on a wide range of topics, including emergency operations planning, drills and exercises, school behavioral threat assessment, mental health, school policing, substance use prevention, and youth engagement initiatives. The TxSSC also fosters partnerships among students, educators, law enforcement, and communities to reduce the impact of tobacco on all Texans through prevention, training, and enforcement strategies. Further, the TxSSC is charged with annually reviewing each multi-hazard emergency operations plan for Texas public school districts and junior community colleges. By equipping school personnel with the knowledge and tools to respond effectively to emergencies, the TxSSC strengthens overall preparedness and resilience across Texas schools.

In addition to training and technical assistance, the TxSSC conducts research to inform evidence-based safety practices. Their commitment to continuous improvement and stakeholder collaboration has made it a trusted resource, both within Texas and nationally. As a recognized leader in school safety, the TxSSC continues to shape and support safe, secure, and healthy learning environments.

While the value of TxSSC is recognized, the analysis is limited to the value of education received by TXST students, and thus the training provided by TxSSC is not included in the analysis.

## Alumni impact



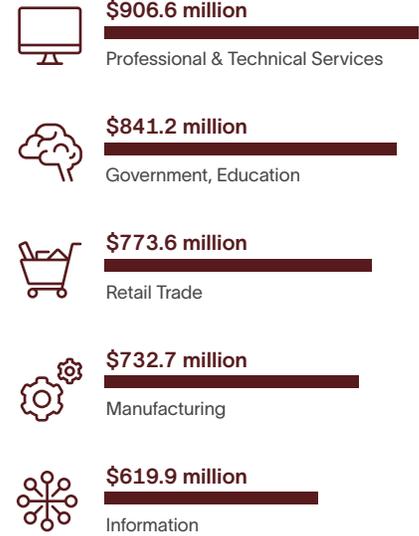
The education and training TXST provides for state residents has the greatest impact. Since the establishment of the university, students have studied at TXST and entered the state workforce with greater knowledge and new skills. Today, thousands of former TXST students are employed in Texas. According to Lightcast's Alumni Pathways data, many TXST alumni are employed in the regional workforce in industry sectors such as Professional & Technical Services; Health Care & Social Assistance; Manufacturing; and Government, Education, with their top occupations being managers (such as general, operations, marketing, and sales), chief executives, supervisors of administrative workers, software developers, and accountants and auditors. As a result of their education from TXST, the students receive higher earnings and increase the productivity of the businesses that employ them. In FY 2023-24, TXST alumni generated **\$6.8 billion** in added income for the state economy, which is equivalent to supporting **66,322 jobs**.

## Total impact

TXST added **\$7.7 billion** in income to the Texas economy during the analysis year, equal to the sum of the operations, construction, and research spending impacts; the spin-off company impact; the visitor and student spending impacts; and the alumni impact.

TXST's total impact can also be expressed in terms of jobs supported. The \$7.7 billion impact supported **75,078 state jobs**, using the jobs-to-sales ratios specific to each industry in the state. In addition, the \$7.7 billion, or 75,078 supported jobs, stemmed from different industry sectors. For instance, the activities of TXST and its alumni in the Professional & Technical Services industry sector added \$906.6 million in income in FY 2023-24. If the university did not exist, these impacts would not have been generated in Texas.

### TXST top impacts by industry (added income)



The **\$7.7 billion** in added income is equivalent to supporting **75,078 jobs** in Texas.





# Investment analysis

An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. The analysis presented here evaluates TXST as an investment from the perspectives of students, taxpayers, and society in Texas. As with the economic impact analysis, this analysis considers only FY 2023-24 activities.

## Student perspective



In FY 2023-24, TXST served 42,138 students. In order to attend the university, the students paid for tuition, fees, books, and supplies. They also took out loans and will incur interest on those loans. Additionally, students gave up money they would have otherwise earned had they been working instead of attending college. The total investment made by TXST's students in FY 2023-24 amounted to a present value of \$497.7 million, equal to \$310.1 million in out-of-pocket expenses (including future principal and interest on student loans) and \$187.7 million in forgone time and money.

In return for their investment, TXST's students will receive a stream of higher future earnings that will continue to grow throughout their working lives. For example, the average TXST bachelor's degree graduate from FY 2023-24 will see annual earnings that are \$36,600 higher than a person with a high school diploma or equivalent working in Texas. Over a working lifetime, the benefits of a bachelor's degree over a high school diploma will amount to an undiscounted value of \$1.6 million in higher earnings per graduate. The present value of the cumulative higher future earnings that TXST's FY 2023-24 students will receive over their working careers is \$3.4 billion.

The students' benefit-cost ratio is 6.8. In other words, for every dollar students invest in TXST in the form of out-of-pocket expenses and forgone time and money, they will receive a cumulative value of \$6.80 in higher future earnings. Annually, the students' investment in TXST has an average annual internal rate of return of 23.0%, which is impressive compared to the U.S. stock market's 30-year average rate of return of 10.1%.

### Students see a high rate of return for their investment in TXST



Average annual return for TXST students  
**23.0%**



Stock market 30-year average annual return  
10.1%

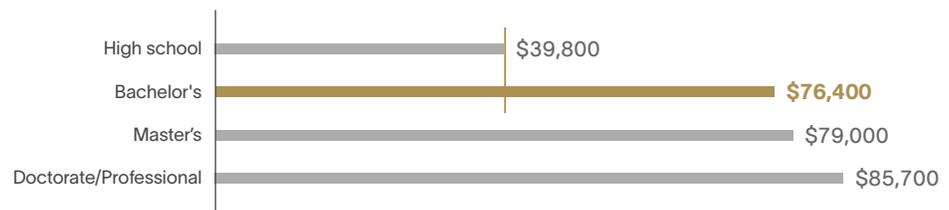


Interest earned on savings account (national deposit rate)  
0.5%

Source: Forbes' S&P 500, 1994-2023; FDIC.gov, March 2023

### Average earnings by education level at career midpoint

The average bachelor's degree graduate from TXST will see an increase in earnings of **\$36,600** each year compared to a person with a high school diploma or equivalent working in Texas.



Source: Data provided by TXST and Lightcast's Alumni Pathways



## TXST Bobcat athletics

It's hard to overstate the impact of TXST Bobcat athletics—not just on the university, but across San Marcos and Central Texas. In 2024, TXST dramatically raised its national profile with six nationally televised football games and back-to-back seasons of record-breaking attendance, including a remarkable 25% increase last season.

Now, with the upcoming move to the new Pac-12 Conference, Bobcat athletics is poised to shine even brighter. This transition will bring national broadcasts and fans from across the West Coast—from California to Washington—straight to San Marcos, many experiencing the TXST community for the first time.

Further solidifying Bobcat athletics rise, the Bobcats secured the largest stadium naming rights deal in Group of Five history: a \$23 million partnership with University Federal Credit Union (UFCU). This milestone not only amplifies the university's visibility but also reflects the growing strength and momentum of TXST athletics.

## Taxpayer perspective



TXST generates more in tax revenue than it receives. These benefits to taxpayers consist primarily of taxes that the state government will collect from the added revenue created in the state. As TXST students will earn more, they will make higher tax payments throughout their working lives. Students' employers will also make higher tax payments as they increase their output and purchases of goods and services. By the end of the FY 2023-24 students' working lives, the state government will have collected a present value of \$937.0 million in added taxes.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of TXST students and the corresponding reduced government services. Education is statistically correlated with a variety of lifestyle changes. The education that TXST students receive will generate savings in three main categories: 1) health care, 2) justice system, and 3) income assistance. Improved health will lower students' demand for national health care services. In addition, costs related to the justice system will decrease. TXST students will be more employable, so their reduced demand for income assistance such as welfare and unemployment benefits will benefit taxpayers. For a list of study references, contact the university for a copy of the main report. Altogether, the present value of the benefits associated with an education from TXST will generate \$205.4 million in savings to state taxpayers.

Total taxpayer benefits amount to \$1.1 billion, the present value sum of the added tax revenue and public sector savings. Taxpayer costs are \$251.2 million, equal to the amount of state government funding TXST received in FY 2023-24. These benefits and costs yield a benefit-cost ratio of 4.5. This means that for every dollar of public money invested in TXST in FY 2023-24, taxpayers will receive a cumulative present value of \$4.50 over the course of the students' working lives. The average annual internal rate of return for taxpayers is 11.4%, which compares favorably to other long-term investments in the public sector.

For every dollar of public money invested in TXST, taxpayers will receive a cumulative value of **\$4.50** over the course of the students' working lives.



## Social perspective



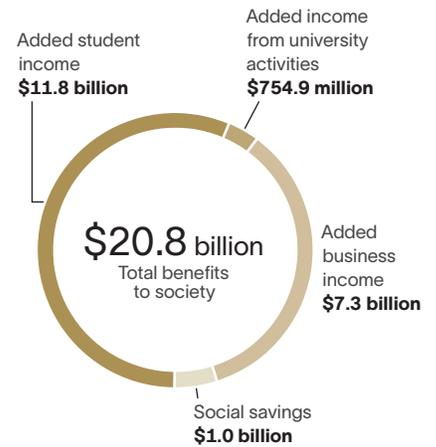
Society as a whole in Texas benefits from the presence of TXST in two major ways. Primarily, society benefits from an increased economic base in the state. This is attributed to the added income from students' increased lifetime earnings (added student income) and increased business output (added business income), which raise economic prosperity in Texas.

Benefits to society also consist of the savings generated by the improved lifestyles of TXST students. As discussed in the previous section, education is statistically correlated with a variety of lifestyle changes that generate social savings. Note that these costs are avoided by the consumers but are distinct from the costs avoided by the taxpayers outlined above. Health care savings include avoided medical costs associated with smoking, obesity, substance abuse, and depression. Justice system savings include avoided costs to the government and society due to less judicial activity. Income assistance savings include reduced welfare and unemployment claims. For a list of study references, contact the university for a copy of the main report.

Altogether, the social benefits of TXST equal a present value of \$20.8 billion. These benefits include \$11.8 billion in added student income, \$7.3 billion in added business income, \$754.9 million in added income from university activities, as well as \$1.0 billion in social savings related to health, the justice system, and income assistance in Texas. People in Texas invested a present value total of \$1.2 billion in TXST in FY 2023-24. The cost includes all the university and student costs.

The benefit-cost ratio for society is 17.4, equal to the \$20.8 billion in benefits divided by the \$1.2 billion in costs. In other words, for every dollar invested in TXST, people in Texas will receive a cumulative value of \$17.40 in benefits. The benefits of this investment will occur for as long as TXST's FY 2023-24 students remain employed in the state workforce.

### Social benefits in Texas from TXST



Source: Lightcast impact model

## TXST's galleries and museums

TXST is not only shaping the next generation of visionary artists—the university is also deeply committed to preserving the rich cultural heritage of Texas and the Southwest.

At the heart of this mission is The Wittliff Collections, TXST's nationally recognized museum, archive, and research center. Dedicated to celebrating the literary, photographic, and musical legacies of the region, The Wittliff houses iconic collections from genre-defining authors like Cormac McCarthy and Larry McMurtry, legendary photographer Graciela Iturbide, and Texas music icon Willie Nelson, among many others.

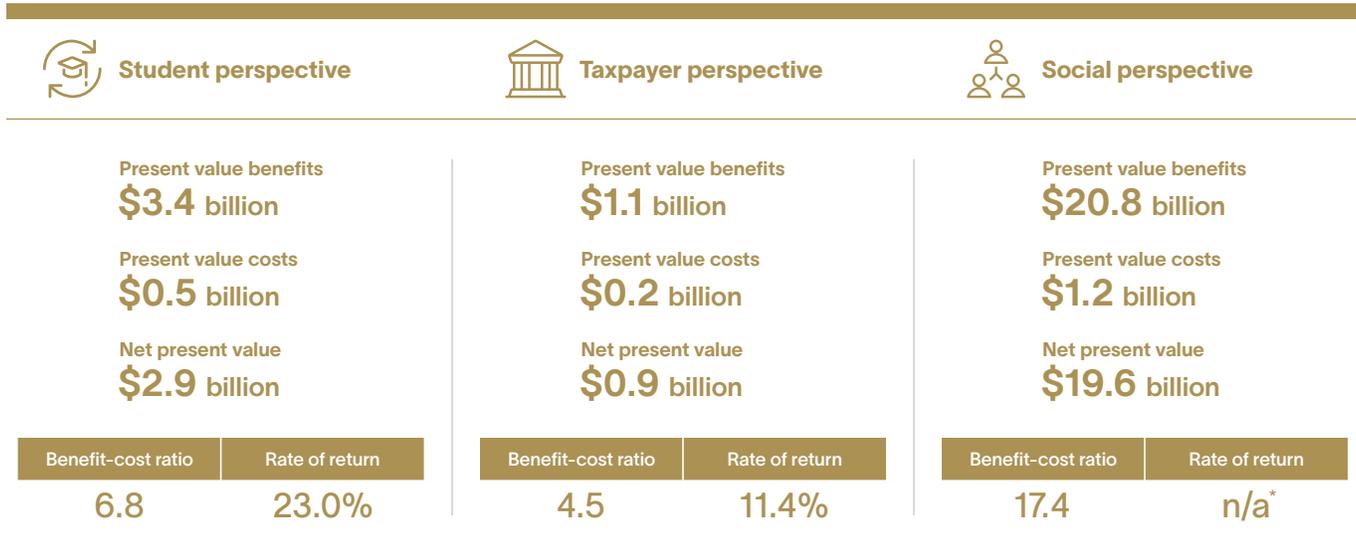
Complementing this cultural treasure are the Texas State Galleries and FLEX Space, which spotlight contemporary visual artists from the vibrant Hill Country arts scene alongside internationally acclaimed painters, sculptors, and photographers.

Each of the exhibition spaces offers meaningful opportunities for students and the public to engage with the thriving arts culture of Texas—inviting everyone to be part of the story, the creativity, and the legacy.

## Summary of investment analysis results

The results of the analysis demonstrate that TXST is a strong investment for all three major stakeholder groups—students, taxpayers, and society. As shown, students receive a great return for their investments in an education from TXST. At the same time, taxpayers’ investment in TXST returns more to government budgets than it costs and creates a wide range of social benefits throughout Texas.

### Summary of investment analysis results



\* The rate of return is not reported for the social perspective because the beneficiaries are not necessarily the same as the original investors.

## ALERRT has trained more than 300,000 first responders

The Advanced Law Enforcement Rapid Response Training (ALERRT) Center, headquartered at TXST, is recognized nationally as a leader in active shooter response training. In 2013, the FBI recognized ALERRT as the national standard through which it trains all its agents. ALERRT provides life-saving instruction to thousands of first responders every year around the world.

One of the key components of ALERRT is its research. The ALERRT research division studies multiple facets of active shooter response and law enforcement best practices. ALERRT’s team of doctoral students works year-round on law enforcement training-based studies to determine the best safety practices for officers in high-stress situations.

Since its inception in 2002 as a collaboration between TXST, the San Marcos Police Department, and the Hays County Sheriff’s Office, ALERRT has shaped active-shooter response training on a global scale. ALERRT has trained more than 300,000 first responders at no cost to agencies. ALERRT has earned more than \$136 million in federal and state funding to carry out critical, life-saving training events. The number of partnerships and funding sources continues to develop along with demand for ALERRT training.

# Conclusion

*The results of this study demonstrate that TXST creates value from **multiple perspectives**.*

The university benefits businesses in the state by increasing consumer spending in the state and supplying a steady flow of qualified, trained workers to the workforce. TXST enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The university benefits state taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, TXST benefits society as a whole in Texas by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of students.

## About the study

Data and assumptions used in the study are based on several sources, including the FY 2023-24 academic and financial reports from TXST, TXST alumni records matched to Lightcast's Alumni Pathways database, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness. For a full description of the data and approach used in the study, please contact the university for a copy of the main report.



Lightcast provides colleges and universities with labor market data that help create better outcomes for students, businesses, and communities. Our data, which cover more than 99% of the U.S. workforce, are compiled from a wide variety of government sources, job postings, and online profiles and résumés. Hundreds of institutions use Lightcast to align programs with regional needs, drive enrollment, connect students with in-demand careers, track their alumni's employment outcomes, and demonstrate their institution's economic impact on their region. Visit [lightcast.io/solutions/education](https://lightcast.io/solutions/education) to learn more or connect with us.